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**FTAA - COMMITTEE OF GOVERNMENT REPRESENTATIVES ON THE PARTICIPATION
OF CIVIL SOCIETY**

COVER SHEET

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ISSUES ADDRESSED (Check all that apply)

Agriculture		Subsidies, Antidumping and Countervailing Duties	
Competition Policy		Civil Society	
Dispute Settlement		Electronic Commerce	
Government Procurement		Smaller Economies	
Intellectual Property Rights		The FTAA Process	
Investment		Other:	
Market Access	x		
Services			

EXECUTIVE SUMMARY – 2 pages maximum – (see Open Invitation):

AGREED RECOMMENDATIONS

Tariffs:

1. All tariffs should be subject to negotiations.
2. Asymmetric tariff elimination schedules must be allowed for small and developing countries.
3. All import fees collected at ports of entry should be considered as duties, and eliminated.
4. There must exist a voluntary mechanism by consensus for the elimination of certain tariffs, for use after 2005.
5. FTAA tariff elimination schedules should prevent tariff escalation for value-added products.
6. Short of early tariff reductions, tariffs should not be increased from their current applied rates during negotiations.
7. Tariff reduction negotiations must be at the 8-digit level.
8. The tariff liberalization in the FTAA should use a combination of negotiating methods:
The formula method; and the product-to-product method.

Non-tariff barriers

9. All NTBs are to be identified with the help, among others, of the Tripartite committee, which will be responsible for their publication, and eliminated. No new NTBs are to be created.
10. The FTAA must adopt common definitions of NTBs consistent with existing regional agreements
11. NTBs must be identified immediately in accordance with the procedures established by the negotiating group, and a timetable established for their elimination. A strong commitment to this process must be achieved by developed countries.
12. There must be a consultative process to stop the creation of NTBs by policy changes
13. The removal of all NTBs is proposed, especially specific ones which:
 - a. protect local distributors at the expense of foreign suppliers
 - b. discriminate against foreign companies or products

Timing

14. A number of proposals deal with the timing and methods of negotiations and removal of tariff and NTBs:
 - a. Negotiations concerning tariff reductions and rules of origin should take place at the same time, at the same table.
 - b. Each country must have a single elimination schedule per product regardless of origin within the region.
 - c. Non-conformity with removal of NTBs will justify tariff relief suspension.

Environment and labour

15. Environment and labour issues are to be excluded from the FTAA negotiations

Rules of origin

16. Rules of origin must be based on a shift in the Harmonized System tariff number to the fourth digit or more, plus provisions for regional content or method of manufacturing, as is felt necessary within each chapter
17. Rules of origin must not become barriers to trade by favouring some countries at the expense of others
18. Rules of origin should be harmonized and available publicly
19. There must be a common system for verification of origin, mediation and conciliation in case of disagreement, and sanctions in terms of non-compliance
20. The general criteria for rules of origin must be previously agreed to, and preferably include the terms used at the WTO. The rules of origin must be simple, clear, symmetric, and represent industrial realities
21. It is proposed that certification of origin can follow the concept of self declaration with the approval of private manufacturing associations or chambers of commerce. Criteria are to be established for the accreditation of such associations.
22. Origin accumulation must be permitted
23. The certificate of origin must be uniform and simple

Standards

24. The FTAA should promote the use of voluntary standards, previously harmonized standards and less restrictive

alternatives whenever possible. In addition, there must be approved a reciprocal process for the development of national or regional regulations to eliminate redundancy in testing and certification procedures.

25. Members must achieve a mutual recognition of conformity assessment, and adopt international schemes whenever possible, upholding the most-favoured-nation and the national treatment concepts
26. All technical standards and regulations are to be harmonized whenever possible and/or mutually recognized and a hemispherical database thereof made public, such as in a web site
27. Countries must ensure that standards and regulations concerning health, phytosanitary and zoosanitary measures, safety and the environment are applied on a non-discriminatory basis and not used as non-tariff barriers. These measures must be scientifically based and justifiable. Other standards must continue to be part of the negotiations.
28. Standards and technical regulations must be harmonized by means of international and regional organizations.
29. Information is to be provided to the public about potential revisions or creation of standards, thus providing the opportunity for input from the private sector pursuant to revisions and creation.

Safeguards

30. All countries must adopt common WTO compliant safeguard mechanisms.

General

31. Current trade agreements must be allowed to co-exist with the FTAA.

AGREEMENT ON THE PROCEDURE TO DEAL WITH SECTORAL PROPOSALS

32. In view of the different representations on sectoral considerations, it was agreed hat at the next Americas Business Forum, or prior to it if possible, the sectors be convened to discuss their relevant issues.

BUSINESS FACILITATION MEASURES

Proposals linked to transparency and private sector involvement:

33. A joint commission should be formed of two representatives from customs authorities and two from the private sector to discuss and propose other business facilitation measures to be implemented during the negotiations.
34. A database of all tariffs and NTBs must be created and be publicly available, and should include statistical information.
35. The private sector must have the opportunity to contribute to the database.
36. Terms of the agreement must be implemented expediently to ensure uniform interpretation.

Customs procedures

37. All countries should adopt the WTO valuation code
38. Training concerning all facets of the agreement must be provided to both customs officers and the public
39. Business travel measures must be implemented to permit the temporary stay of business people and goods
40. Customs procedures and requirements must be simplified and harmonized, and cooperation must exist between all customs authorities
41. The 'control and release' business facilitation measure should be reconsidered and implemented.
42. All countries should consider adopting the OECD's privacy principles on the protection of personal data and transborder data flows.
43. Customs inspection and penalty regulations should be harmonized and include, inter alia, provisions detailing: reasons for which inspections should be carried out, and the types of fraud or other illicit customs actions for which inspections and penalties should apply. Combating fraud should be a hemispheric process involving a central commission and the participation of the public.
44. Developed countries should provide assistance and information to less developed countries in the region in order to modernize and reform customs procedures.
45. Customs authorities should be modernized and electronically interconnected through international financial and technical support.
46. Customs pre-clearance facilities should remain, where they exist, and new ones created, and training provided for local personnel for such facilities in compliance with
 1. hemispheric standards.
47. There should be simplified regulations to deal with low value or express shipments.
48. A majority of countries proposed the harmonization of customs nomenclature to 8 digits, under the responsibility of the Tripartite Commission, while some proposed to 10 digits.
49. Customs authorities should accept electronically transmitted documents in lieu of original documentation.

50. A common code of conduct for customs officers should be established.
51. Customs clearance procedures should be simplified and harmonized among all countries, and operate 24 hours a day wherever possible.

AREAS OF DIVERGENCE

52. A limited number of products for which tariffs can be eliminated after 2005 on an immediate basis must be identified as soon as possible but other tariff elimination must be gradual, taking into account the sensitiveness of certain products
53. The rules of origin should be negotiated after a previous understanding about the scope, intensity and rhythm of FTAA tariff phase-out, because of their economic impact on industrial sector of countries in the hemisphere.
54. Free Trade Zones must also benefit from the agreement, if origin is met.
55. Special regimes such as drawbacks, in-bond manufacturing, free trade and export manufacturing zones must be negotiated separately, considering that the FTAA is a negotiation for free trade, not for a customs union.
56. Tariff elimination is to start at the Most Favoured Nation level, from 2005.
57. Tariff elimination should start at the WTO register level. Others suggested that it should start at MFN level, while other proposed the 1998 MFN level or those at time of agreement, whichever is less.
58. Tariff elimination schedules should be of three types: immediate, 5 years, 10 years. Others suggested that longer periods should be permitted in certain cases.
59. Countries must achieve a definite time frame and phase out model by 2001
60. Once the agreement is in force, any measure taken by a country, and considered to be a NTB must be agreed to by a consensus of all countries.
61. Negotiations must follow three stages: business facilitation measures, harmonization of standards, and then tariff elimination.
62. Existing environmental and labour issues must not be weakened in order to gain competitive advantages.
63. There must be established a shipping or transshipment certificate to be duly validated by the customs authorities to demonstrate that the shipped product has not been modified from its imported state and thus keeps its origin.
64. The rules of origin must guarantee benefits to FTAA countries only.
65. Territorial origin of a given product must be based on the level of development of the industry manufacturing such product.
66. The current efforts under way in NAFTA to achieve a single labelling requirement should be extended to all FTAA members, along with the creation of a standards clearing house for this and other standards.
67. Any concession extended to third countries by a member country must also be extended to all FTAA countries.
68. Customs valuation of copyrighted products should be based on the value of the medium, not the value of the product itself.
69. All members should implement the customs operational guidelines of the International Chamber of Commerce.
70. Pre-Shipment Inspection requirements should be eliminated.

Chair: Jorge Ramirez Ocampo, Colombia

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Rapporteur: Raymond Héroux, Canada

Vice-Rapporteur: José María Fumigalli, Argentina